

The complaint

Ms F complains that Monzo Bank Ltd (Monzo) won't refund the money she lost to a job and investment scam. Ms F is represented in this complaint, but I'll refer to her as it's her complaint.

What happened

Ms F explains that, at the time of this scam, she was vulnerable due to her physical disabilities, mental health and financial struggles.

In April 2023, Ms F received messages from a recruitment agent about online remote work with Company G earning approximately £4,000 per month.

Ms F spoke to X (a scammer) on a messaging app and was informed that the job was completing product reviews. To be able to complete tasks and receive payments Ms F was required to make payments in crypto. Ms F started the job, received some money and considered it to be 'easy money'.

The scammers helped her set up accounts with Firm R (a regulated digital bank) and then transfer the funds to their crypto wallet.

There appears to have been a crypto trading element to the scam with Ms F believing she held a trading account with a significant and increasing balance. This appears to have encouraged her to make payments towards her investment and her Company G account which she was led to believe needed topping up.

From her Monzo account, Ms F made the following five payments, of which four were to her own account with Firm R:

Payment No.	Date	Payment Method	Beneficiary	Amount
1	5 May 2023	Faster Payment	Person Z (who posed as a trader)	£1,137
2	23 June 2023	Faster Payment	Ms F's account with firm R	£300
3	24 June 2023	Faster Payment	Ms F's account with firm R	£670
4	2 July 2023	Faster Payment	Ms F's account with firm R	£505
5	2 July 2023	Faster Payment	Ms F's account with firm R	£32
Total				£2,644

Ms F appears to have realised the job was a scam in July 2023 when she couldn't withdraw her funds.

Ms F complained to Monzo, seeking a refund of her loss, as *'there were no warnings or interventions by the Banks to warn her of the possibility of a scam'*.

Ms F also complained to Firm R about transactions 2 to 5 and additional payments for another scam which is a separate ongoing complaint.

Monzo declined her complaint as she sent the funds to another account in her own name and then onto the scammers.

Ms F brought her complaints to our service. However, our investigator didn't think Monzo had done anything wrong.

Ms F disagreed and her reasons included the following points which I've summarised:

- The payee warning that was given was general and ineffective.
- The payments were unusual.
- Banks should be on notice for the potential of multi-stage frauds.
- An intervention should've therefore occurred and would've easily uncovered the scam.

As Ms F remains dissatisfied, her complaint has been passed to me to look at.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, my decision is to not uphold this complaint. And I'll explain why.

I should first say that:

- I'm very sorry to hear that Ms F has been the victim of this cruel job and investment scam.
- Although a voluntary code was in place in 2023 (the Contingent Reimbursement Model Code – CRM Code) to provide additional protection against some scams and Monzo adhere to the principles of this code, as the payments were made to an account in Ms F's own name and an individual for crypto (before they were sent to the scammer) they're not covered under the CRM Code.
- Although I've read and considered everything Ms F and Monzo have said, I won't be responding to every point individually. If I don't comment on any specific point, it's not because I've not considered it, but because I don't think I need to comment on it in order to reach the right outcome.
- I did consider Ms F's vulnerability points even though the FCA's Consumer Duty came out at the end of July 2023.
- Regarding recovery, Monzo have provided evidence that they quickly tried to recover the funds that went to Person Z, but the account was unfortunately emptied. Also, as the fund went to Firm R and then to the scammers' crypto account, I wouldn't have expected Monzo to have been able to recover them.
- The Payment Services Regulations 2017 (PSR) apply here.

Under the PSR and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Ms F made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought

reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

So, I consider Monzo should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.
- Have systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

With the above in mind, I looked closely at the file to see if:

- Monzo's new payee automated warning, for payment one to Person Z, was effective or whether they should've put in place a human intervention before releasing this payment to protect Ms F.
- Monzo should've put in place automated and / or human interventions for payments 2 to 5.

Payment 1 to Person Z

Although this £1,137 payment was on the high side for Ms F, her account information showed she'd infrequently made similarly large payments, so I don't think this amount would've stood out as a risk to Monzo.

It was however going to a new payee, and this triggered automated warnings which I consider to have been proportionate considering that the payee's account was with a legitimate regulated UK bank which would've further lowered the risk level.

Monzo gave a new payee warning which included the following:

- *'Could this payment be to someone trying to scam you?'*
- *'If you have any doubts (for example you don't personally know the recipient) get some advice'* – and this appears to have had a link to connect to an advisor and / or scam information.

Considering Ms F's lack of research, that she was paying a company and didn't know Person Z, this presented her with an opportunity to seek advice from Monzo. I therefore don't consider it to have been ineffective.

Furthermore, Monzo then gave further warnings which included the following:

- Two bold large print warnings saying, *'Could someone be trying to scam you?'* alongside two red triangle warning signs with exclamation marks. Below these warning messages and before Ms F could press *'continue'* they said:
 - *'Stop if – the offer sounds too good to be true, you haven't checked who you are paying.'*
 - *'If you're at all unsure stop and get advice.'*

As Ms F considered the job, which was paying up to £4,000 per month for simplistic reviews,

to be 'easy money' and hadn't completed due diligence (on either the investment company or Person Z), I don't consider these messages to have been ineffective.

So, having considered payment 1, I think Monzo's warnings were both proportionate and effective and I don't think a human intervention was required.

Payments 2 to 5 to Firm R

I can't see that Monzo put in place any checks for these payments.

However:

- Firm R is a UK regulated electronic bank authorised by the FCA, and payments which go from one account to another at established banks are called 'me to me' payments.
- It is very common for customers to have more than one bank account.
- It is reasonable for the bank making the 'me to me' payment to have some comfort in the fact that:
 - The customer has control over both accounts.
 - If a subsequent payment is high risk (such as crypto) they will have better information to complete rigorous checks.

So, for relatively low 'me to me' payments such as those in payments 2 to 5 (£300, £670, £505 and £32) which wouldn't be out of the ordinary for Ms F to make, I would've expected them to be viewed as low risk and I wouldn't have expected to see an intervention.

When looking at all five payments, I don't think there was an unusual or suspicious pattern of payments that were of high velocity with increasing amounts, that would indicate a scam. There was a six-week gap between payment 1 and 2. Although payments 2 and 3 were on consecutive days and payment 4 and 5 on the same day, there was a gap of a week. And after payment 2 each of the payments decreased which wouldn't ordinarily be seen in a scam.

Also, Monzo process thousands of payments each day and, as mentioned above, they have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm.

So, having looked closely at the transactions and file submissions, I don't think it is reasonable to expect Monzo's fraud prevention system to flag the four Firm R payments for intervention.

I can understand Ms F thinking Monzo should've intervened and that an intervention would've likely unravelled the scam. However, for the reasons mentioned above, I don't think Monzo made an error in giving an automated warning on payment 1 and not intervening on the others.

In conclusion, I recognise Ms F has been the victim of a cruel scam and I'm very sorry she's lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Monzo acted fairly and reasonably in its dealings with her, so I won't be upholding this complaint and asking them to make any refund.

My final decision

For the reasons set out above, my final decision is to not uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or

reject my decision before 6 November 2025.

Paul Douglas
Ombudsman